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Application of)
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AERO CALIFORNIA S.A. de C.V.)
) Docket OST 97-2791
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for an exemption from)
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49 U.S.C. § 41301)
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Pursuant to 49 U.S.C. § 40109, Aero California S.A. de C.V. (Aero California) hereby submits this application for renewal of its exemption from 49 U.S.C. § 41301, issued in this Docket, allowing it to conduct scheduled foreign air transportation of persons, property and mail between Zacatecas, Mexico and Dallas-Forth Worth, Texas.

In further support of this application, Aero California states the following:

1. Aero California's exemption to provide scheduled combination service between the above points was granted on

August 26, 1997 pursuant to Notice of Action taken ("NOAT") for a one-year period through August 26, 1998. The NOAT was confirmed by Order 97-9-7.

2. Aero California is a corporation organized and existing under the laws of Mexico. It has continuously and successfully engaged in transporting persons, property and mail within Mexico since 1967. Aero California is headquartered at La Paz, Baja California Sur International Airport. With its fleet of DC-9 aircraft, Aero California currently provides service between points throughout the Baja California Peninsula and numerous other points within Mexico, on the one hand, and points in the United States, on the other.¹

3. The Air Transport Services Agreement between the United States and the United Mexican States dated August 15, 1960, as amended (the "Air Transport Agreement"), provides that an airline designated by the Government of Mexico shall be entitled to operate air services "[f]rom a point or points in Mexico to a point or points in the United States." Memorandum of Consultation, Annex 2, Attachment 1, ¶ A.2.a. (Sept. 19,

¹ Aero California's application for issuance of a foreign air carrier permit, Docket 42012, was originally filed on February 21, 1984. That application, as amended, is still pending before the Department.

1991).² Aero California has been designated by its Government to operate scheduled combination service on each of the **above-**described routes and such designations remain in effect.

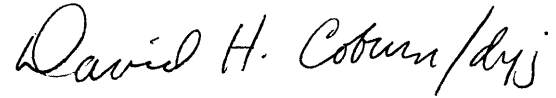
4. Renewal of Aero California's exemption authority issued herein pursuant to the Air Transport Agreement is warranted for the same reasons supporting the Department's original grant of exemption to Aero California of the authority in question. Aero California continues to be licensed by the Mexican Ministry of Communications and Transportation to perform these services. Renewal of Aero California's exemption authority will enable it to provide valuable transportation service to the public on U.S./Mexico routes. Accordingly, grant of this amended application will benefit the traveling and shipping public and would be in the public interest.

WHEREFORE, for the reasons stated above, Aero California respectfully requests the Department of Transportation to renew its exemption authority issued in Docket 97-2791 for the routes described herein for a period of at least one year or until 90 days following the Department's approval of Aero

² Formally adopted November 21, 1991.

California's application for a foreign air carrier permit in
Docket 42012, whichever occurs first.

Respectfully submitted,

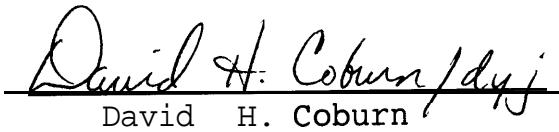
A handwritten signature in cursive script that reads "David H. Coburn/dyjs".

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Dated: August 26, 1998

CERTIFICATE OF SERVICE

I hereby certify that I have this 26th day of August, 1998, served a copy of the foregoing Application for Renewal of Exemption Authority by first class mail, postage prepaid, on the persons listed on the attached Service List.


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